



June 29, 2020

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

RE: Proposed Rule 12 CFR Part 204; Changes to Regulation D (Reserve Requirements of Depository Institutions)

Dear Ms. Misback,

The Ohio Credit Union League (OCUL) represents the collective interests of Ohio's 257 credit unions and their more than three million members. Of those 257 credit unions, 141 are federally-chartered; 69 state-chartered, federally-insured; and, 47 state-chartered, privately-insured.

On behalf of OCUL, we are writing to express our support for the recent interim final rule issued by the Board of Governors of the Federal Reserve System (Board) which eliminates the Regulation D transfer limit. However, OCUL believes that removal of the transfer limit should be a permanent endeavor rather than a temporary measure of relief during the COVID-19 pandemic. While the current pandemic serves to highlight the transfer limit's lack of purpose and detrimental effect on consumers, the fundamental considerations that have influenced the current amendments should be regarded as permanent. The Board should make this understanding explicit in a final rule by clarifying that the elimination of the Regulation D transfer limit is not a temporary measure.

Credit unions have been a source of great financial relief and flexibility for their members during these trying times. Elimination of the transfer limit further enables credit unions to provide their members with such financial flexibility, while also reducing certain compliance burdens related to enforcing the limit. However, credit unions that choose to end enforcement of the transfer limit or reclassify accounts may need to make significant operational changes, and would have more confidence in doing so if they were assured that the proposed changes to Regulation D are permanent rather than temporary. Credit unions are concerned that they might be made to undo costly operational changes, or be otherwise penalized, if the Board later decides to reinstate the transfer limit. To assuage such concerns, the Board must clarify that the relief it is offering is permanent. Such a clarification will encourage credit unions to modify their operations, and as a result provide immediate relief to their members.

OCUL thanks the Board for making the necessary changes to Regulation D and eliminating references to the unnecessary limit on transfers and withdrawals from savings accounts. The interim final rule will provide important relief to credit union members during a time of elevated anxiety and financial stress by permitting unrestricted access to their funds. To better facilitate the operational changes that are necessary to make this relief immediate and lasting, the Board should clarify that elimination of the transfer limit is a permanent change. We appreciate your invitation



to comment on this important issue. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at (800) 486-2917.

Respectfully,

A handwritten signature in black ink, appearing to read "Paul L. Mercer".

Paul L. Mercer
President

A handwritten signature in black ink, appearing to read "Chris Noble".

Chris Noble
Regulatory Counsel